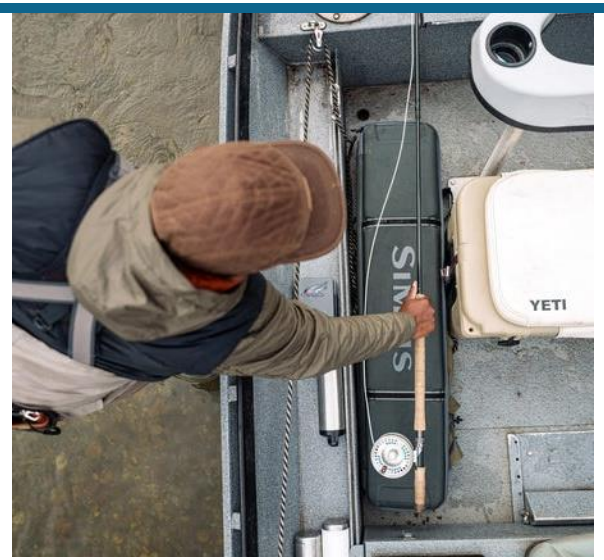
Vista Outdoor Enters Into Definitive Agreement to Acquire Simms Fishing Products

July 27, 2022

Safe Harbor Statement

Some of the statements made and information contained in this report, excluding historical information, are "forward-looking statements," including those that discuss, among other things: our plans, objectives, expectations, intentions, strategies, goals, outlook or other non-historical matters; projections with respect to future revenues, income, earnings per share or other financial measures for Vista Outdoor; and the assumptions that underlie these matters. The words "believe," "expect," "anticipate," "intend," "aim," "should" and similar expressions are intended to identify such forward-looking statements. To the extent that any such information is forward-looking, it is intended to fit within the safe harbor for forward-looking information provided by the Private Securities Litigation Reform Act of 1995. Numerous risks, uncertainties and other factors could cause our actual results to differ materially from the expectations described in such forward-looking statements, including the following: supplier capacity constraints, production or shipping disruptions or quality or price issues affecting our operating costs; the supply, availability and costs of raw materials and components; increases in commodity, energy, and production costs; seasonality and weather conditions; our ability to complete acquisitions, realize expected benefits from acquisitions and integrate acquired businesses; reductions in or unexpected changes in or our inability to accurately forecast demand for ammunition, accessories, or other outdoor sports and recreation products; disruption in the service or significant increase in the cost of our primary delivery and shipping services for our products and components or a significant disruption at shipping ports; risks associated with diversification into new international and commercial markets, including regulatory compliance; our ability to take advantage of growth opportunities in international and commercial markets; our ability to obtain and maintain licenses to third-party technology; our ability to attract and retain key personnel; disruptions caused by catastrophic events; risks associated with our sales to significant retail customers, including unexpected cancellations, delays, and other changes to purchase orders; our competitive environment; our ability to adapt our products to changes in technology, the marketplace and customer preferences, including our ability to respond to shifting preferences of the end consumer from brick and mortar retail to online retail; our ability to maintain and enhance brand recognition and reputation; others' use of social media to disseminate negative commentary about us, our products, and boycotts; the outcome of contingencies, including with respect to litigation and other proceedings relating to intellectual property, product liability, warranty liability, personal injury, and environmental remediation; our ability to comply with extensive federal, state and international laws, rules and regulations; changes in laws, rules and regulations relating to our business, such as federal and state ammunition regulations; risks associated with cybersecurity and other industrial and physical security threats; interest rate risk; changes in the current tariff structures; changes in tax rules or pronouncements; capital market volatility and the availability of financing; foreign currency exchange rates and fluctuations in those rates; general economic and business conditions in the United States and our markets outside the United States, including the war in Ukraine and the imposition of sanctions on Russia, conditions affecting employment levels, consumer confidence and spending, conditions in the retail environment, and other economic conditions affecting demand for our products and the financial health of our customers; and risks related to our Planned Separation. You are cautioned not to place undue reliance on any forward-looking statements we make. A more detailed description of risk factors that may affect our operating results can be found in Part 1, Item 1A, Risk Factors, of our Annual Report on Form 10-K for fiscal year 2022 and in the filings we make with Securities and Exchange Commission (the "SEC") from time to time. We undertake no obligation to update any forward-looking statements, except as otherwise required by law.

SIMMS. TRANSACTION OVERVIEW



Simms Fishing Products To Become 41st Brand in Vista Outdoor's Iconic Brand Portfolio

- The most trusted brand in fishing, Simms Fishing Products ("Simms"), has the #1 brand advocacy score, #1 likelihood to repurchase and #1 sentiment online [1][2]
- Delivers trustworthy products that connect anglers to their best days on the water
- Offers the highest quality gear for consumers fishing more often, further and harder than ever before
- Passion for perfecting the angler experience provides authenticity in fly and conventional communities
- Simms broadens Vista's core addressable market to the highly attractive fishing category and offers significant room for further growth

40+
Year History

63
Countries Served

~$110MM
CY2022E Net Sales

~15%
CY2019A – CY2021A Net Sales CAGR

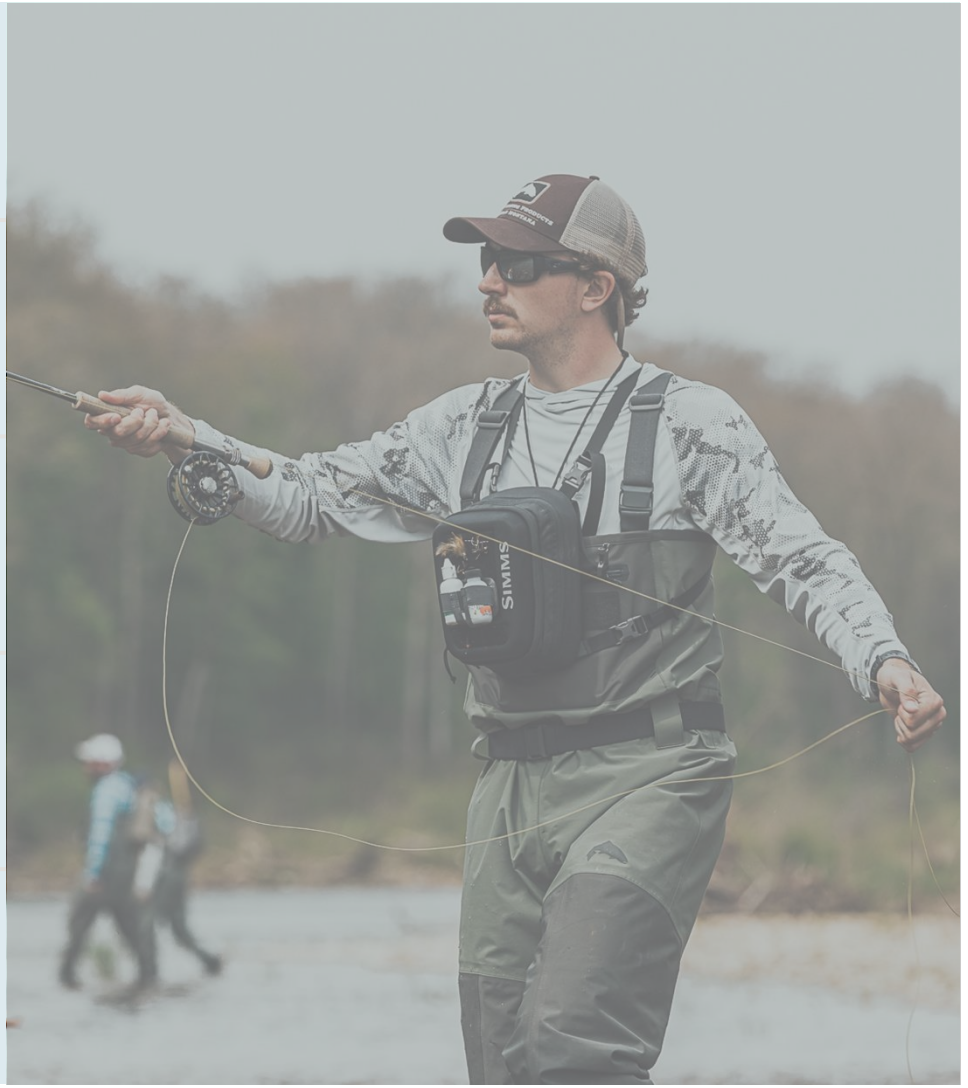
Mid-Teens
Expected Post-Integration EBITDA Margin[3]

~$2Bn+
Directly Addressable TAM

Notes:
1. Represents number of consumers ranking 9 and 10 for brand promotion and does not represent the "net" promoter score
2. Ranking among 30+ Fishing Apparel & Footwear Brands
3. Simms Fishing's Expected Post-Integration EBITDA Margin is presented as a supplemental measure of operating performance that is not calculated in accordance with Generally Accepted Accounting Principles ("GAAP"). Vista Outdoor has not reconciled Simms Fishing's Expected Post-Integration EBITDA Margin to GAAP net profit margin because Vista Outdoor does not provide guidance for Simms Fishing's net income. Accordingly, a reconciliation to Simms Fishing's expected post-integration net profit margin is not available without unreasonable effort.

Transaction Overview

Purchase Price	$192.5MM (includes NPV of roughly $20MM in future tax benefits)
Financing	Upon closing, expect to finance the acquisition through existing capacity under our asset-based revolving credit facility
Leverage	Pro forma net leverage at close expected to be approximately 1.6x
Accretion	Accretive to earnings, excluding transaction, transition and inventory step-up costs, in Fiscal Year 2024
Closing	Expected in fiscal 2Q FY2023, subject to receipt of regulatory approvals and satisfaction of other customary closing conditions



Simms Investment Thesis

1

Strongest Brand in Fishing

- ✓ Simms represents the strongest brand in fishing supported by their innovative products and top team
- ✓ Strong brand recognition offers opportunity to expand in larger adjacent TAMs (conventional fishing, etc.)

2

Entrance into Highly Adjacent Fishing Market

- ✓ Establishes first plank in a larger Fishing platform, a market that typically generates consistent growth
- ✓ Represents a natural and synergistic adjacency for Vista Outdoor and opens meaningful TAM for our business

3

Meaningful Growth Levers Exist

- ✓ Expand foundation in Fly Fishing and capitalize on market growth and new consumers
- ✓ Opportunity to rapidly scale the business by infusing capital, deploying resources, and leveraging COEs

4

Digital Capabilities

- ✓ Significant investment in DTC platform to accelerate growth
- ✓ UI/UX investments and digital marketing driving brand awareness, conversion and retention

Simms is the first plank in Vista Outdoor's Fishing platform in a highly attractive adjacent category, greatly expanding our Total Addressable Market (TAM), with meaningful and actionable growth levers

Acquisition Builds on Successful M&A Track Record

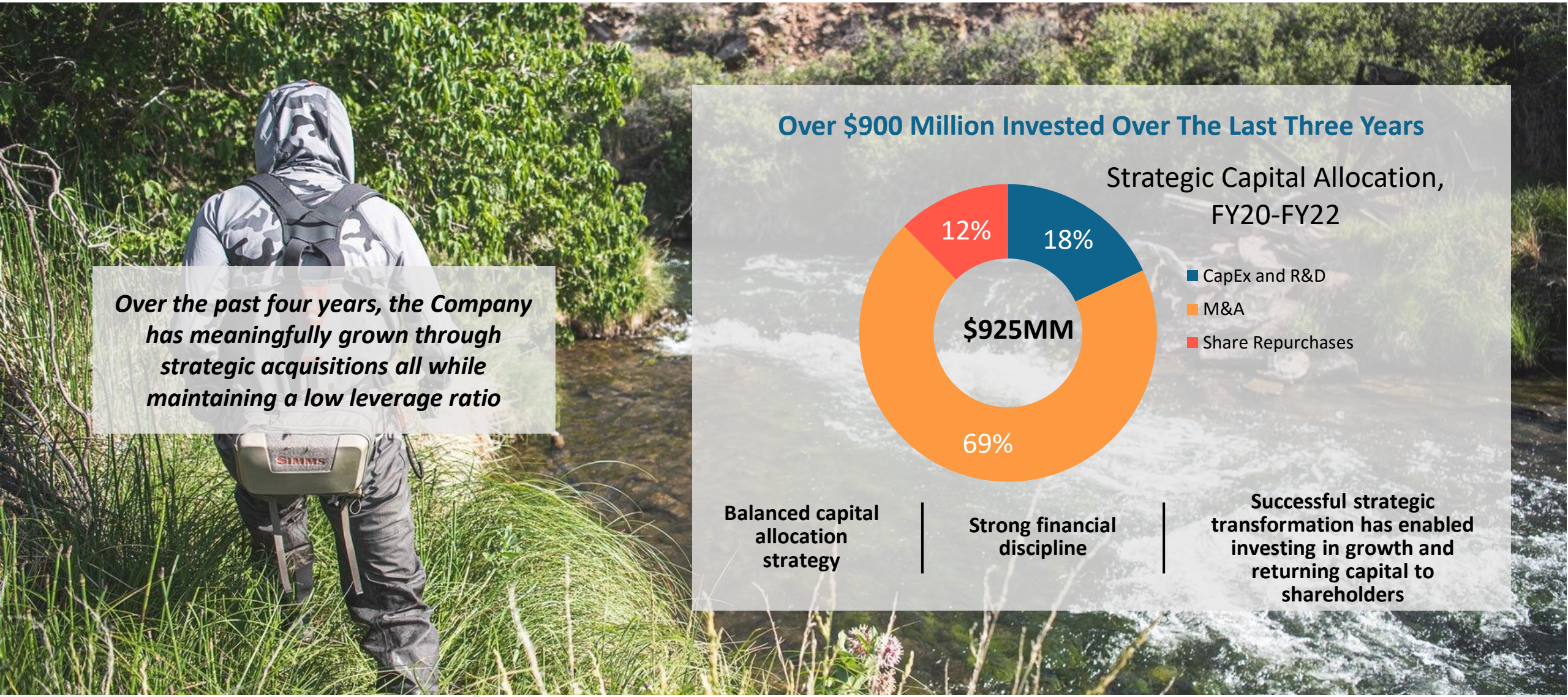
Segment Strengths	• Expands Vista Outdoor's presence and aligns with Vista Outdoor's current strategy of acquiring brands that have devoted consumer followings and strong product innovation capabilities
Complementary Brand	• The acquisition of Simms creates a new platform in an adjacent and synergistic category for Vista
Operational Benefits	• Vista Outdoor's brands together with Simms to benefit from leveraging core competencies and enhanced supply chain resiliency • Simms to benefit from Vista Outdoor's Centers of Excellence, scale, established channels, large customer base and access to capital
Cultural Alignment	• Aligns with Vista Outdoor's values relating to conservation and access to natural waters and lands
Scale	• Provides additional scale to Vista Outdoor's Outdoor Products business ahead of the previously announced separation

Simms Acquisition Represents Vista Outdoor's 9th Power Brand in Outdoor Products

GIRO · CAMP CHEF · Bushnell GOLF · FOX · BELL · Bushnell · CAMELBAK · FORESIGHT SPORTS · SIMMS

Vista Outdoor has demonstrated the ability to create significant shareholder value through a strong track record of accretive M&A

Leverage to Remain Sub-1.6x Post Acquisition



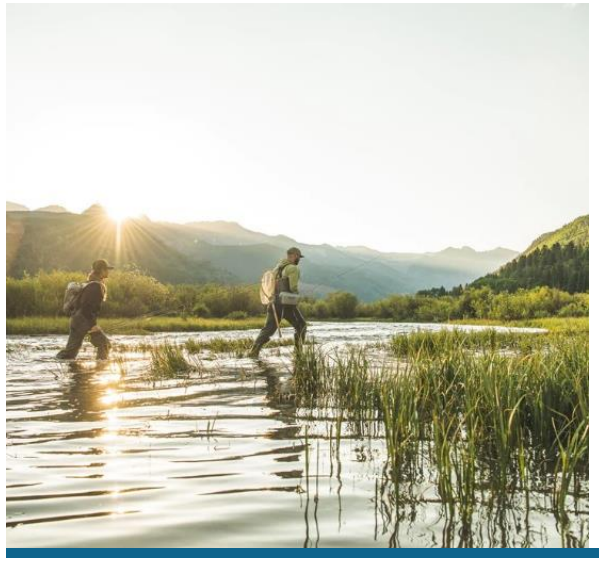
Over the past four years, the Company has meaningfully grown through strategic acquisitions all while maintaining a low leverage ratio

Over $900 Million Invested Over The Last Three Years

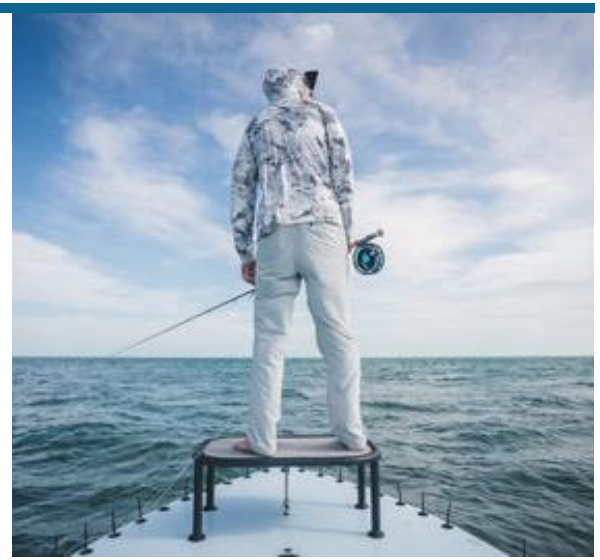
Balanced capital allocation strategy

Strong financial discipline

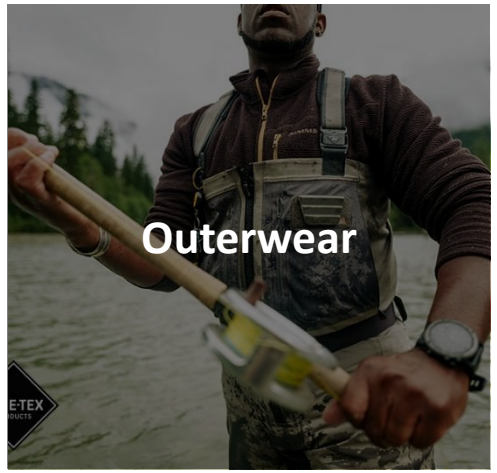
Successful strategic transformation has enabled investing in growth and returning capital to shareholders

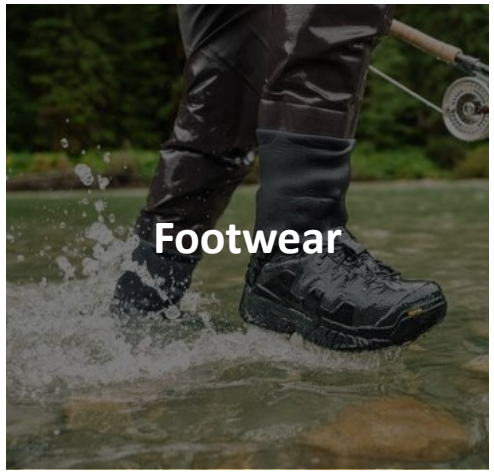


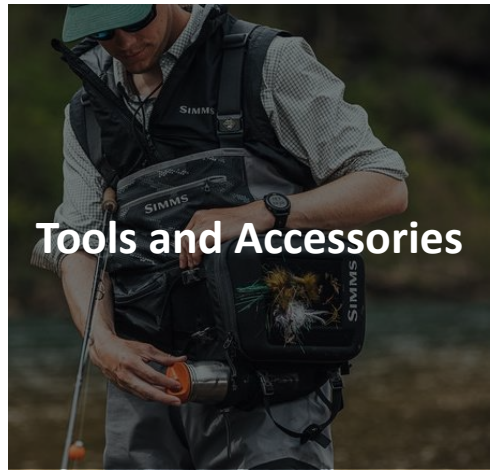
SIMMS BUSINESS OVERVIEW

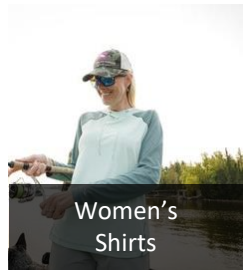


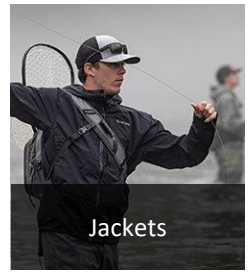
Simms Connects with Consumers On and Off the Water

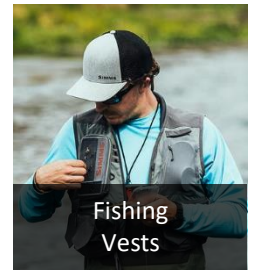


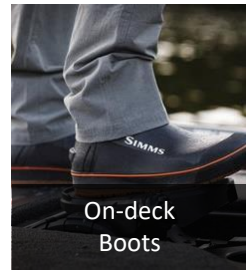


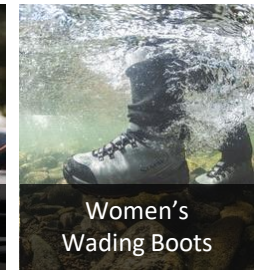


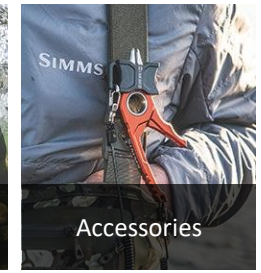


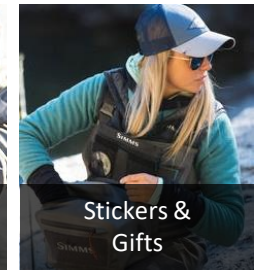


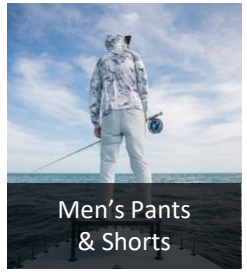


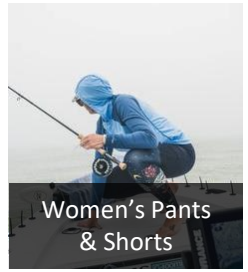


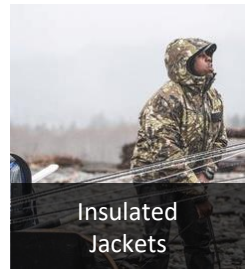


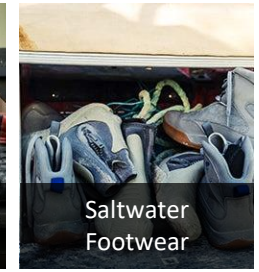


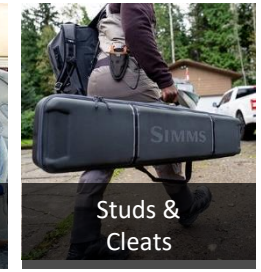


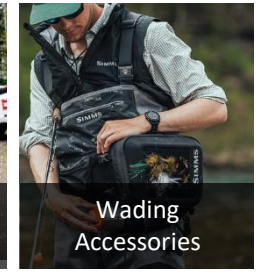










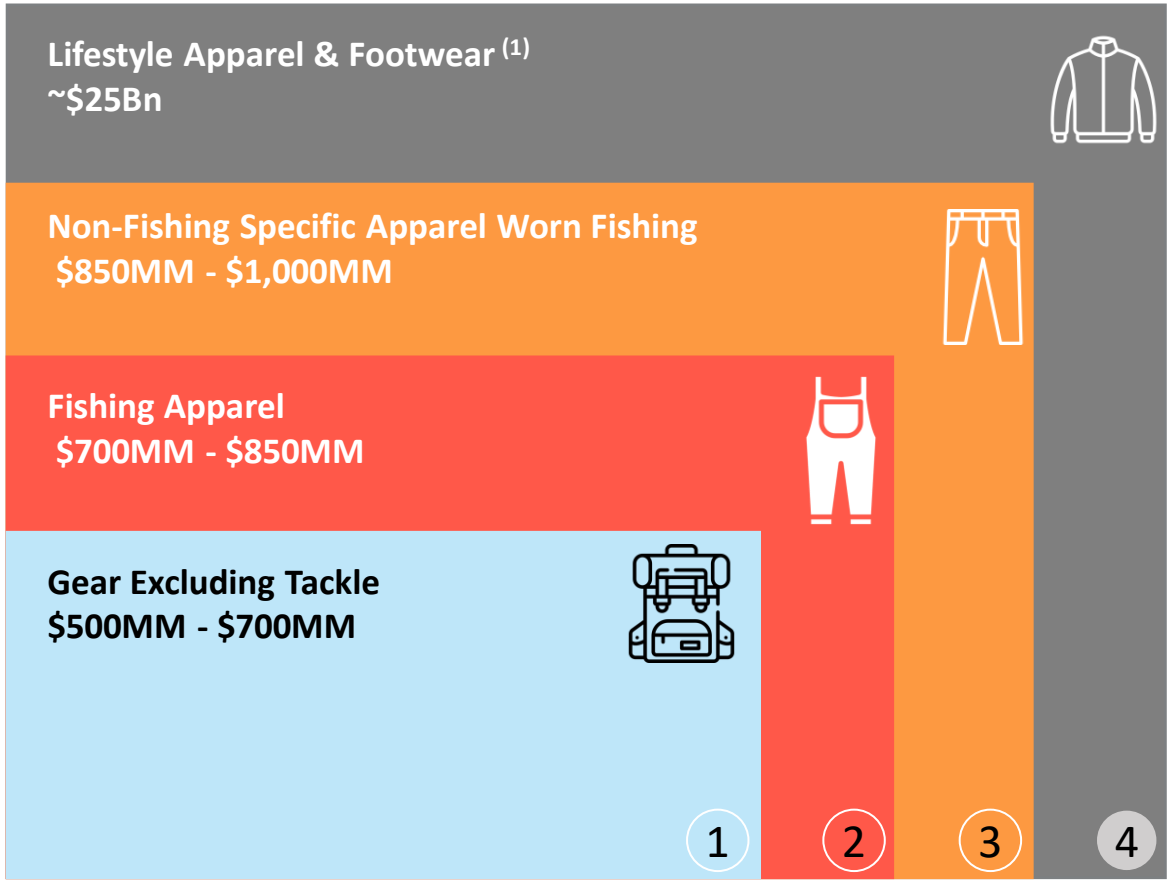


In a recent survey, 78% of verified consumers said they were likely to repurchase a Simms product (1)

Source: Third Party Research
Note:
1. Represents consumer who rated a 6 or 7 on a 7-point scale survey question

Simms' Addressable Market is Massive and Growing

$25Bn+ U.S Addressable Market



Compelling Industry Fundamentals

4% to 6%
Long-Term Annual Growth Rate

Market Sizing by Population (2)

~330MM	1 in ~5	1 in ~6	~$235
U.S. Population	Participate in Fishing	Purchase Fishing Apparel / Gear (3)	Annual Spend Per Person

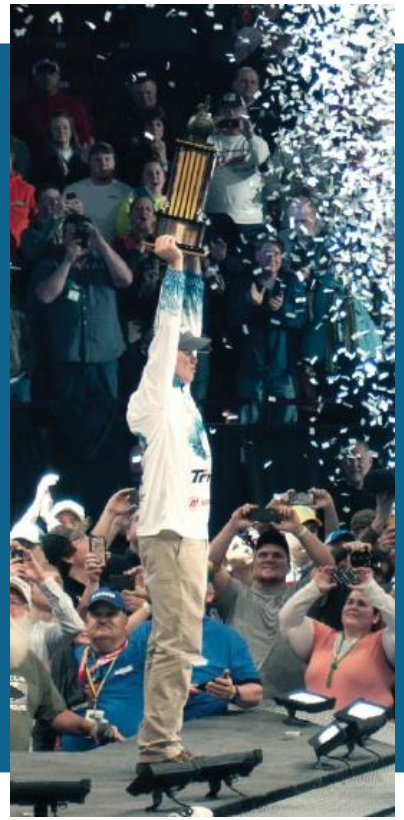
$2.1 - $2.6Bn Simms Fishing Specific Addressable Market(4)

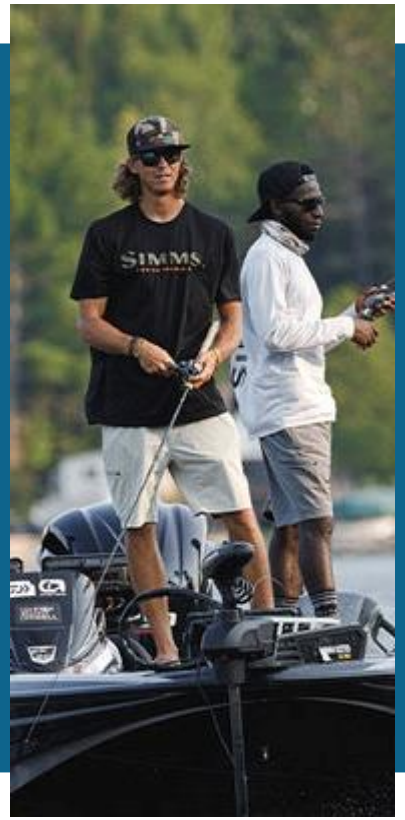
Source: Third-party market study

Note:

1. Includes Fishing apparel and non-fishing apparel worn fishing
2. Adults and children were considered separately in a more detailed analysis
3. Excludes tackle
4. Excludes Lifestyle Apparel & Footwear

Under Vista Outdoor, There is a Clear Line of Sight to Accelerated Growth





Optimize Core Product Offering

Continue to capture share through elevated products and technical leadership across fit, form and function

Expand Through Vista Outdoor's Partnerships

Strategically expand and enhance wholesale presence with Vista Outdoor's large base of retail partners

Direct-to-Consumer Leadership

Accelerate customer acquisition through owned retail and leverage Vista Outdoor's E-Commerce Center of Excellence

Penetrate Performance Lifestyle Market

Leverage brand permission to further penetrate lifestyle market

Accelerate International Development

Capitalize on global opportunities leveraging Vista Outdoor's international distribution network

Pursue Actionable Adjacent Opportunities

Leverage technical expertise and brand equity to accelerate growth in accessories and lifestyle markets